

## Message Text

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ACTION EB-07

INFO OCT-01 IO-10 ISO-00 FEA-01 CEA-01 CIAE-00 COME-00

DODE-00 FRB-01 H-02 INR-07 INT-05 L-02 LAB-04 NSAE-00

NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04 TAR-01

TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 EUR-12 OIC-02

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FM US DEL MTN GENEVA

TO SECSTATE WASHDC 044

DEPT OF AGRICULTURE

INFO US MISSION USEC BRUSSELS 4466

UNCLAS SECTION 1 OF 2 MTN GENEVA 2341

E.O. 11652: N/A

TAGS: ETRD GATT

SUBJECT: MTN: OPENING STATEMENT OF THE EC AT THE MARCH 24  
AGRICULTURE GROUP MEETING

TRANSMITTED HERewith IS AN INFORMAL DELEGATION TRANS-  
LATION OF THE EC OPENING STATEMENT AT THE MARCH 24  
MEETING OF THE AGRICULTURE GROUP. AT PRESENT THERE EXISTS  
NO OFFICIAL ENGLISH VERSION OF THIS STATEMENT.

QUOTE PARAGRAPH 3(E) OF THE TOKYO MINISTERIAL DECLARATION EMPHASIZES THE NECESSITY OF SEEKING AN APPROACH TO THE/CONDUCT OF THE NEGOTIATIONS IN THE AGRICULTURAL SECTOR WHICH TAKES ACCOUNT OF THE CHARACTERISTICS AND PROBLEMS PERTINENT TO THIS SECTOR. GIVEN THESE CHARACTERISTICS AND PROBLEMS AND GIVEN THE FACT THAT THE NEGOTIATIONS SHOULD PERMIT THE LAYING OF THE FOUNDATIONS FOR A DURABLE SOLUTION OF THESE PROBLEMS, THE COMMUNITY BELIEVES THAT IT IS THROUGH MARKET STABILITY THAT THE DESIRED EXPANSION OF AGRICULTURAL TRADE WILL BE ACHIEVED.

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WAHT IS THEREFORE THE APPROACH PROPOSED BY THE

COMMUNITY FOR THE GATT NEGOTIATIONS?

A STRENGTHENING OF THE PRESENT MECHANISMS OF MUTUAL INFORMATION IN ORDER TO ARRIVE AT A BETTER KNOWLEDGE OF THE MARKETS AND A BETTER COORDINATION OF THE POLICIES PURSUED APPEARS TO BE THE FIRST ELEMENT WHICH SHOULD BE DEVELOPED. THIS FACT HAS ALREADY BEEN HIGHLIGHTED BY THE WORLD FOOD CONFERENCE. THE COMMUNITY SHARES THE VIEW EXPRESSED AT THIS CONFERENCE AND BELIEVES THAT AN ENGAGEMENT BY ALL PARTIES TO THESE NEGOTIATIONS TO COLLABORATE ACTIVELY IN THE INSTITUTIONS SET UP BY THE CONFERENCE WOULD CONSTITUTE A FIRST POSITIVE ELEMENT MAKING IT POSSIBLE TO LIMIT THE CAUSES WHICH ARE AT THE ROOT OF THE EXTREME DEMAND AND SUPPLY SITUATIONS IN THE AGRICULTURAL SECTOR.

IN DEFINING MORE PRECISELY THIS APPROACH, IT MUST BE ADMITTED THAT THESE CHARACTERISTICS AND PROBLEMS ARE GERMANE TO ALL PRODUCTS IN THE AGRICULTURAL SECTOR. HOWEVER, DIFFERENCES IN THEIR IMPORTANCE AND THE PECULIARITIES OF EACH PRODUCT SECTOR LEAD TO THE BELIEF THAT, WHILE FOLLOWING THE SAME GENERAL LINE FOR ALL PRODUCTS, IT WOULD BE APPROPRIATE TO PROVIDE FOR A CERTAIN DIVERSITY FOR THE DIFFERENT SECTORS. AS FAR AS THE COMMUNITY IS CONCERNED, THIS DIVERSITY EXPRESSES ITSELF IN A MORE OR LESS STRUCTURED FORM OF THE COMMITMENTS TO BE UNDERTAKEN.

I) IN THE SECTORS WHICH ARE BASIC FOR HUMAN NUTRITION (GRAINS, DAIRY PRODUCTS, SUGAR, RICE), THE APPROACH SHOULD LEAD TO THE CREATION OF A FRAMEWORK WITHIN WHICH OBLIGATIONS CONCERNING A PRICE DISCIPLINE WOULD BE ASSUMED AND STORAGE SCHEMES (EXCEPT FOR DAIRY PRODUCTS) WOULD BE ESTABLISHED. THESE OBLIGATIONS WOULD REPRESENT INTERNATIONAL AGREEMENTS. THE OBLIGATIONS ASSUMED SHOULD MAKE POSSIBLE THE ATTAINMENT OF PRICE STABILITY, SECURITY OF SUPPLY AND MARKETS AND, GENERALLY, SECURITY FOR THE WORLD'S FOOD SUPPLY.

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THESE INTERNATIONAL AGREEMENTS WOULD INCLUDE A PRICE RANGE WITHIN WHICH TRADE SHOULD TAKE PLACE. A PRICE DISCIPLINE AT THE MAXIMUM AND MINIMUM PRICE LEVEL TO BE RESPECTED BY THE MEMBERS TO THESE AGREEMENTS SHOULD BE ENVISAGED. FOR DAIRY PRODUCTS THE AGREEMENT WOULD BE IN SUBSTANCE LIMITED TO THIS SCHEME. IN ORDER TO FACILITATE OBSERVANCE OF THIS PRICE RANGE, A CONCERTED POLICY OF NATIONAL STOCKS SHOULD BE PRO-

VIDED FOR THE OTHER PRODUCTS. THE ADJUSTMENT OF SUPPLY TO DEMAND WHICH THESE CONCERTED STOCKING POLICIES WOULD ACHIEVE SHOULD LEAD TO THE CREATION OF MARKET CONDITIONS SUCH THAT TRADE COULD EFFECTIVELY TAKE PLACE WITHIN THIS PRICE RANGE. THE MECHANISM ENVISAGED FOR THE EFFECTIVE COORDINATION OF NATIONAL STOCKING POLICIES WHICH ARE INDISPENSABLE FOR ENSURING THE BALANCING ROLE OF SUPPLY ON THE WORLD MARKET SHOULD BE BASED ON OBJECTIVE REFERENCE CRITERIA WHICH WOULD TRIGGER CONCERTED ACTION. THE ESTABLISHMENT AND OPERATION OF THESE MECHANISMS WILL REQUIRE THE USE OF A PERMANENT ORGAN. MOREOVER, PARTICIPATION IN SUCH AGREEMENTS SHOULD BE AS BROAD AS POSSIBLE.

THE OFFER OF THE COMMUNITY CONSISTS IN ITS PARTICIPATION IN THIS STABILIZING MECHANISMS WHICH WILL PERMIT TRADE TO EXPAND. THIS CONSTITUTES A SIGNIFICANT OFFER WHICH MEETS THE OBJECTIVES OF THE MTN DUE TO THE INHERENT OBLIGATIONS TO RESPECT A PRICE DISCIPLINE AND TO PARTICIPATE IN A COORDINATED NATIONAL STOCKING POLICY.

II) THERE ARE STILL OTHER PRODUCTS WHICH ARE IMPORTANT IN INTERNATIONAL TRADE AND IN THE AGRICULTURAL ACTIVITY OF MANY CONTRACTING PARTIES. THEIR PRODUCTION AND MARKET CHARACTERISTICS LEND THEMSELVES TO A LESS STRUCTURED APPROACH AIMING AT MARKET STABILITY. AN OBLIGATION AIMING AT AN ORDERLY FUNCTIONING OF THE WORLD MARKET WOULD REPRESENT FOR THE COMMUNITY AN APPROPRIATE APPROACH. IT WOULD INVOLVE ACTING IN SUCH A WAY THAT THE EXPORTERS OF THESE PRODUCTS WOULD ENDEAVOR TO PRACTICE AN EXPORT POLICY ACCORDING TO AGREED RULES. THIS WOULD LEAD TO A BETTER STABILITY AND GREATER SECURITY

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OF MARKET CONDITIONS WHICH SHOULD ENABLE IMPORTERS TO ADJUST ACCORDINGLY THE MANAGEMENT OF THEIR IMPORT POLICY. THIS WOULD REPRESENT AN APPROACH OF "CONCERTED DISCIPLINES" WHICH, FOR INSTANCE, COULD BE NEGOTIATED IN THE MEAT SECTOR. THE OFFER OF THE COMMUNITY CONSISTS IN ITS PARTICIPATION AS IMPORTER AS WELL AS EXPORTER IN THE AGREEMENTS WHICH ENTAIL THESE DISCIPLINES.

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DEPT OF AGRICULTURE

INFO US MISSION USEC BRUSSELS 4467

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III) THERE IS A LAST CATEGORY OF PRODUCTS FOR WHICH IT DOESN'T SEEM NECESSARY TO APPLY ADDITIONAL RULES TO THE GENERAL RULES APPLICABLE TO TRADE IN AGRICULTURAL PRODUCTS.

FOR THESE PRODUCTS IT WOULD BE POSSIBLE TO ENVISAGE, UNDER CERTAIN CONDITIONS AND ON A CASE BY CASE BASIS, A TARIFF APPROACH.

IV) MOREOVER, AS TO TRADE IN AGRICULTURAL PRODUCTS, RULES TO BE DETERMINED FOR NONTARIFF MEASURES WHICH AFFECT THE CONDITIONS OF TRADE SHOULD BE RESPECTED. IT IS IMPORTANT TO DISCUSS WITHIN THE AGRICULTURAL FRAMEWORK OF THESE NEGOTIATIONS ALL THESE OBSTACLES AND THOSE OF THEIR ASPECTS WHICH ARE PECULIAR TO AGRICULTURAL. THE OVERALL APPROACH SHOULD AIM AT ESTABLISHING MORE STABLE TRADING CONDITIONS AND MORE EQUITABLE CONDITIONS OF COMPETITION.

IN THE VIEW OF THE COMMUNITY THIS APPROACH AND  
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THIS OFFER SHOULD PERMIT THE ACHIEVEMENT OF THE OBJEC-

TIVES OF THE NEGOTIATIONS. THIS APPROACH SHOULD ALSO MEET THE ASPIRATIONS OF THE LDC'S CONCERNING THE EXPANSION OF THEIR TRADE. THE COMMUNITY THINKS THAT WITHIN THE GENERAL APPROACH IT PROPOSES, SPECIAL MODALITIES SHOULD BE FORESEEN FOR THIS PURPOSE. THESE SPECIAL MODALITIES SHOULD APPLY TO INTERNATIONAL AGREEMENTS, TO CONCERTED DISCIPLINES, OR TO OTHER RULES, TAKING INTO ACCOUNT THE SPECIAL SITUATION OF LDC'S FOR WHICH THE GSP CONSTITUTES AN ELEMENT WHICH THE COMMUNITY DOES NOT EXCLUDE FROM TAKING INTO CONSIDERATION.

THE APPROACH AND THE OFFER TO PARTICIPATE IN ALL AGREEMENTS COVERS ALL PRODUCTS OF THE AGRICULTURAL SECTOR AND ALL PERTINENT ELEMENTS THEREIN. THIS APPROACH IS GENERAL BUT ALSO PRAGMATIC AND ADOPTED TO THE CHARACTERISTICS OF THE VARIOUS PRODUCTS AND OTHER PROBLEMS WHICH SHOULD BE THE SUBJECT OF NEGOTIATION.

IN THE LIGHT OF THESE PROCEDURES THE COMMUNITY SUGGESTS THAT THE AGRICULTURE GROUP ORGANIZE ITS WORK AT THIS STAGE ACCORDING TO THE FOLLOWING PROGRAM. IT THEREBY RESERVES TO ITSELF THE POSSIBILITY OF COMPLETING THIS PROGRAM IN THE FURTHER COURSE OF THE NEGOTIATIONS.

- CREATION OF SUBGROUPS FOR PRODUCT SECTORS;
- CREATION OF SUBGROUPS FOR TARIFF AND NON-TARIFF MEASURE PROBLEMS.

AS REGARDS PRODUCTS SUBGROUPS, THE COMMUNITY PROPOSES THE CREATION OF THE FOLLOWING SUBGROUPS:

- 1) GRAINS, 2) DAIRY PRODUCTS, 3) SUGAR, 4) RICE,
- 5) BEEF. MOREOVER, THE COMMUNITY IS AGREEABLE TO THE CREATION OF ANY OTHER SUBGROUP. THE WORK, WHICH SHOULD START IN EACH SUBGROUP, SHOULD AIM AT DETERMINING THE PRINCIPAL ELEMENTS OF THE GENERAL APPROACH TO BE USED IN THESE SECTORS. THIS WOULD PERMIT PROCEEDING TO A FIRST EVALUATION OF THE CONTENTS OF THE OFFERS OF THE PARTIES TO THIS NEGOTIATION IN THIS SECTOR SO THAT THESE OFFERS CAN BE TAKEN INTO CONSIDERATION WITHIN THE TOTAL CONTEXT OF THE NEGOTIATIONS. THE NECESSITY OF THE LARGEST POSSIBLE PARTICIPATION IN THE GENERAL

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SOLUTIONS AS WELL AS THE NECESSITY OF HAVING RECOURSE TO PERMANENT ORGANS COULD LEAD TO THE ESTABLISHMENT OF A LINK--WHOSE NATURE SHOULD BE DETERMINED AT A LATER STAGE--BETWEEN THESE SUBGROUPS AND EXISTING INTERNATIONAL ORGANS IN THE FRAMEWORK OF WHICH A LARGER PARTICIPATION COULD BE ACHIEVED.

AS REGARDS SUBGROUPS FOR DEALING WITH TARIFF AND

NONTARIFF MEASURE PROBLEMS, THE COMMUNITY PROPOSES THE  
CREATION OF THE FOLLOWING SUBGROUPS:

- 1) QR'S AND OTHER IMPORTANT MEASURES INCLUDING  
TARIFFS;
- 2) EXPORT SUBSIDIES;
- 3) QUESTIONS RELATED TO STANDARDS, LABELLING,  
PACKAGING, RULES OF ORIGIN, AND SANITARY AND PHYTO-  
SANITARY RULES.

THE COMMUNITY IS READY TO PARTICIPATE ACTIVELY IN  
THE NEGOTIATIONS WHICH ARE TO BE CONDUCTED UNDER THIS  
PROGRAM. IT IS CONVINCED THAT THE CONCERTATION WHICH  
IS TO BE ESTABLISHED IN ORDER TO MAKE POSSIBLE THE  
STABILITY AND SECURITY OF TRADING CONDITIONS IS NECES-  
SARY IN ORDER TO AVOID DRAMATIC CONDITIONS IN THE WORLD  
FOOD SITUATION FOR WHICH THE INTERNATIONAL COMMUNITY  
IS RESPONSIBLE. THIS APPROACH CONSTITUTES THE MOST  
EFFICIENT AND MOST NECESSARY MEANS OF ACHIEVING AN  
EXPANSION OF AGRICULTURAL TRADE WHICH THESE NEGOTIATIONS  
HAVE AS THEIR AIM. UNQUOTE.KOENIG

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